



Statewide Email Plan Report

Action Item

Recommendation: Approve the multi-phased approach and the plan to grow the Statewide Email service to support the needs of 100,000 or more users.

Introduction

Goal Four, Objective Two, of the California State Information Technology Strategic Plan directs the Department of Technology Services (DTS) to, "...submit plans to the State CIO and the Technology Services Board for email consolidation including multiple service offerings." by June 2006.

DTS presents this plan to meet this objective. This plan covers:

- An overview of the service and its benefits and objectives,
- A description of the approach DTS plans to use to meet the objectives
- DTS email growth projections and customer engagement plans
- The actions that the TSB may be asked to take over the next 18 months.

Overview

DTS provides an Email hosting service using Microsoft Exchange to support the back end services for organizations that use the Microsoft Outlook email client. DTS has reengineered and reconfigured the existing Exchange hosting service to support growth from the existing 18,000 mailboxes of nine state and local agencies to address the needs of over 100,000 Exchange customers in the State.¹ Refer to illustration on the following page.

This service provides many benefits to government agencies and its customers:

- Economies of Scale: The State will benefit from the use of a single DTS managed Exchange environment supporting a large number of customers and distributing the fixed costs over a larger user base.
- Savings: The cost to support mailboxes average in the industry around \$10 per month per mailbox for full email services. As the service grows to 100,000 users, costs will decrease and savings will be passed on to our customers. For

¹ 100,000 target extrapolated from a Dept. of Finance study of email systems showing 83,152 Exchange users and 111,901 mailboxes as of June 15, 2004. Stakeholders will set the actual target for the project/program.



example, if DTS can reduce the cost per mailbox from \$10 to \$6, this would save \$400,000 per month or \$4,800,000 per year.

- **Quality of Service:** DTS has full-time, dedicated Exchange engineering and operations expertise. DTS has a 24 hour, seven day a week Service Desk and escalation procedures. The infrastructure is in secured facilities with backup power and world class security.
- **Focus on core customer needs:** IT resources in Departments trying to manage their own Exchange environments performing tasks such as patching and administering mailbox servers, ordering new equipment, training and managing mail system administrators, managing support contracts, and dozens of other email-related activities will be free to focus their IT resources on program initiatives and applications.
- **Coordinate common compliance issues:** Securing email to meet State and federal regulations like HIPAA, blocking spam effectively to reduce concerns regarding hostility in the work place, archiving and searching email, and other compliance issues can be dealt with in a unified and coordinated manner.

DTS Email Services Overview

Features List		
Exchange 5.5 & 2003 hosting, storage, and backup	Global Address List & Free/Busy Calendar lookup across Departments	Blackberry Hosting (Add On)
Outlook Web Access Support	Email Virus Protection	Anti SPAM Protection
Email Infrastructure Maintenance & Refresh	24 X 7 Service Desk	Web-based reports
Upgrade Testing & Migration Planning	Secure Physical Facility	UPS and backup Power Generators
High Availability Failover	Department Self Service Account Administration	Secure E-mail Service (Add on)



Approach

DTS assessed its ability to deliver Email services consistent with commercial business Email service providers and developed the following high level plan to provide an effective and efficient Email solution for California government. The Statewide Email service will be implemented using the following three-phase approach:

- Phase 1—Startup of the Exchange Service--Completed: This phase includes the work done at Health and Human Services Data Center from the late 1990's through December 2005. The effort focused on health-related organizations and resulted in the basic architectural design and hardware and software components for the statewide Email system.
- Phase 2—Solidify the Existing Exchange Service—By September 2006: This phase prepares the service to meet the needs of an expanded list of DTS customers and align the current service to industry best practices. This Phase implements better failover technology to increase availability and uptime service levels, rolls out a spam filtering and secure email solution to existing and new customers, allows improved delegated administration of customer agency mailboxes, improves reporting capabilities, and improves migration capabilities. As much as possible, DTS maximized the use of existing technologies and resources to deliver value sooner. By September 1, DTS will begin migrating new departments to bring their mailboxes to the service. DTS anticipates moderate growth in the service especially from organizations that are already in need of a service such as this.
- Phase 3—Build and Implement the Target Statewide Email Service— By June 2008: This phase will collect and analyze the broadest range business requirements and then architect, design, build and implement a service that can support the needs of 100,000 or more Exchange users across State government. This phase will include many design/build/growth iterations through its completion. Emerging requirements like search and archive, instant messaging, disaster preparedness, and others will be included and new tools including open source components and outsourcing options will be considered. The phase concludes when an architectural and operational solution is in place that meets our customer business requirements and can successfully expand to meet or exceed the 100,000 user target.

Plan for Growth

DTS anticipates adding 15,000 to 20,000 new mailboxes by the end of December 2006. This would essentially double the number of mailboxes from around 18,000 to between 33,000 and 36,000. This is based on the high level of commitment to migrate to the service expressed by some customers. DTS will publish service offering descriptions including the service level commitments, the ranges of Email box configuration available and related rates prior to the September 1, 2006 roll out for this service. At the same time, DTS will publish a migration planning guide for potential



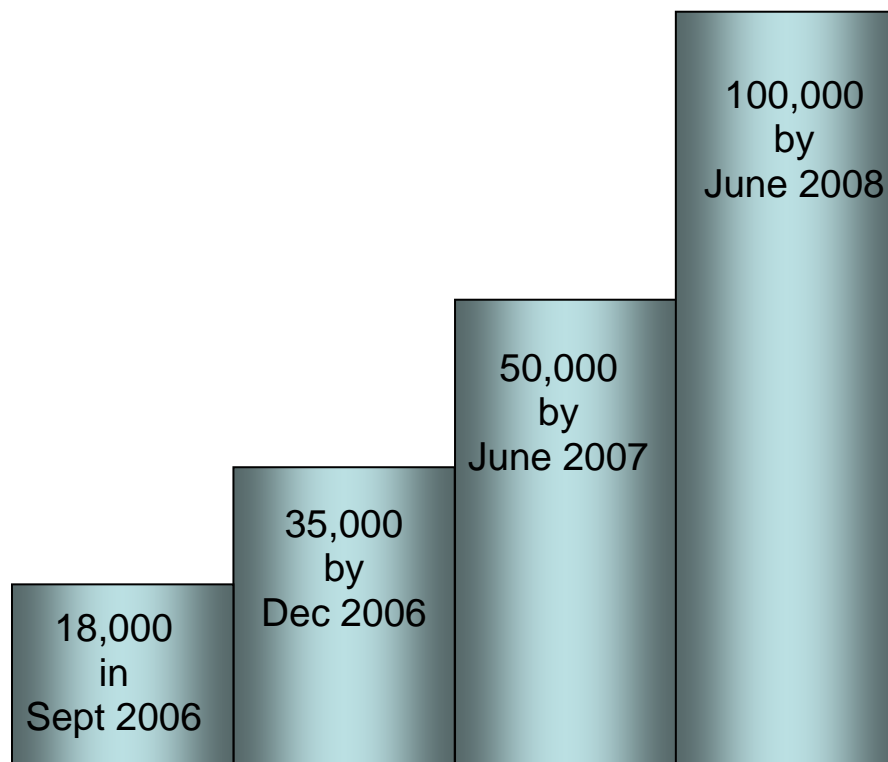
customers, and a business case worksheet to estimate the potential savings a customer can expect when subscribing to this service.

By the end of the 2006/2007 Fiscal Year, DTS plans to increase the number of subscribed Email to 50,000. DTS is contacting interested agencies now to validate their interest and evaluate their migration size, complexity and readiness.

The implementation of Phase 3 will position DTS to offer expanded services to an even larger number of customers and grow the service to the planned 100,000 level during the 2007/2008 Fiscal Year.

In addition to these new customer growth plans, DTS will begin upgrading its largest current Email service customer – EDD —and their 9,000 mailboxes from Exchange 5.5 to 2003 during the 2006 calendar year. This will take a good deal of effort to accomplish. DTS will be procuring migration assistance services to help in this upgrade and other migrations.

E-Mail Account Growth Projection





Future Rate / Service Considerations

DTS is exploring a change to the pricing structure from one based on the actual mailbox storage size of each user to a flat mailbox fee per user plus the storage cost of the agency's total email storage they use.

As part of Phase's 2 and 3, DTS will seek TSB input and approval to include new services/capabilities within the overall service. A secure email solution could be included in the core rate if such capabilities are considered mandatory for all departments and customers or it could be an optional add-on. Also, the current service requires customers to procure and manage their own Microsoft client access licenses (CAL's) for each mailbox. DTS is evaluating whether we could provide even more benefit to customers if DTS procures and manages the licenses centrally. As the analysis on these and any other service components are completed, DTS will seek TSB input on how to best structure the service and the rates